

**ETHICS COMMISSION  
CITY AND COUNTY OF HONOLULU**



Advisory Opinion No. 292

This is an advisory opinion in response to your letter requesting advice from the Ethics Commission as to whether an existing City contract can be assigned to a City employee who has become the company's new owner.

The Commission understands the facts relative to your inquiry to be as follows:

On the basis of competitive bidding, the City awarded a contract to a company ("XYZ") for the purpose of removing and transporting bodies from the scenes of death to the Medical Examiner. It began on July 1, 1994, and has been extended to run through August 31, 1999.

The president of XYZ at the time of award was a private citizen ("A"). However, A recently sold the business to a City employee ("B"), who has worked for XYZ on a part-time basis for several years. B is also employed in the Department of the Medical Examiner. A has requested that the City assign the XYZ contract to B.

The ethical question presented is whether assigning an existing competitively-bid contract to a City employee violates the Standards of Conduct.

The general rule in relation to your question is found in the Revised Ordinances of Honolulu 1990, Section 3-8.2(e), which state in pertinent part:

No officer or employee of the City, except as hereinafter provided, shall...[e]nter into any contract in behalf of the City with an officer or employee or with a business in which an officer or employee has a controlling or substantial financial interest, involving the furnishing of services, materials, supplies, and equipment unless the contract is made after competitive bidding....

Based on the evidence presented, the Commission finds that since the original contract was competitively-bid there will be no violation of the City's Standards of Conduct if the XYZ contract is assigned to B. Please note that the Commission makes this finding based on the understanding that no business will be conducted on behalf of XYZ by B during the hours that B is on duty as a City employee.

Dated: October 22, 1998

FAY M. UYEMA  
Chair, Ethics Commission